

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:3092
ANSWERED ON:05.09.2007
WORLD BANK LOAN FOR COAL SECTOR REHABILITATION
Singh Shri Sugrib

Will the Minister of COAL be pleased to state:

- (a) whether the World Bank has sanctioned funds for Rajrappa Opencast Project of Central Coalfields Limited under the Coal Sector Rehabilitation Project Schemes;
- (b) if so, the details thereof ;
- (c) the details of various Heavy Earth Mining Machinery procured, so far;
- (d) the extent to which World Bank loan has helped the Rajrappa Opencast Project and other projects; and
- (e) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO)

- (a) Yes, Sir. The World Bank Loan was procured by Coal India Limited of which Rajrappa Project was also one of the beneficiaries.
 - (b) The loan finally taken by CIL was US\$ 522.60 million (US\$ 261.30 each from IBRD and JBIC Bank) although the initial amount approved was US\$ 530 million. The IBRD loan was obtained on a floating interest rate (six month LIBOR) which has varied from 1.46% to 7.09 %. The JBIC loan was also on floating interest basis and the interest rate has varied from 1.05% to 2.79%.
- The conditions of the loan also stipulated that the purchases against the loans were to be made as per guidelines of the World Bank as contained in their Standard Bidding Document for the Procurement of goods.
- The loans were sanctioned on consolidated basis to Coal India Limited and was used for development/ maintenance of twenty three Open Cast projects situated in its different subsidiary companies. No loan was sanctioned on project specific basis.
- (c): The details are given at Annexure –I.
 - (d) & (e): The Loan was taken to increase/ maintain production. The equipments were ordered in 1998-99. The year- wise production figures from 1998-99 to 2006- 07 are given at Annexure II. The consolidated production for the Projects covered under the World Bank Project Loan has increased from 96.30 M T to 162.81 MT.

As regards Rajrappa. the Production has actually gone down from 230 MT in 1998-99 to 0.73 MT. This is mainly because of problems related to acquisition of land and Resettlement and Rehabilitation (R & R) problem.